



Area: 198,500 sq km
Capital: Bishkek
Population: 4,753,003
Population Growth Rate: 1.44% (2001 est)
Ethnic groups: Kirghiz 52.4%, Russian 18%, Uzbek 12.9%, Ukrainian 2.5%, German 2.4%, other 11.8%
Life Expectancy: male 59.2 years; female 67.94 years
Birth Rate: 26.18 births/1,000 population
Infant Mortality: 76.5 deaths/1,000 live births
Per Capita Income: \$322 (IMF World Economic Outlook; 2002 estimate)
Religion: Muslim 75%, Russian Orthodox 20%, other 5%
Language: Kirghiz (Kyrgyz) official language; Russian official language (note: in May 2000, the Kyrgyzstani legislature made Russian an official language, equal in status to Kirghiz)
Literacy: total 97%; male 99%; female 96%



President: Askar Akayev
Prime Minister: Nikolai Tanayev
Ambassador to the US: Bakyt Abdrisayev

Development Challenge

Although small, land-locked with limited natural resources, Kyrgyzstan has been the most open, progressive and cooperative of the Central Asian republics. It is important to stability in the region and has remained a stalwart friend of the United States. The Kyrgyz Republic is a firm ally in the War on Terrorism and a significant coalition member. Weak governance, continuing poverty, potential ethnic tensions, a porous southern border with Tajikistan and an essentially closed border with Uzbekistan are potential sources of conflict that could threaten regional stability and U.S. economic and political interests in Central Asia. Earlier armed incursions in the south of Kyrgyzstan by rebels from the Islamic Movement of Uzbekistan (IMU) and increased recruitment by the Hizb-u-Tahrir (both radical Islamic organizations) heighten the urgency to accelerate economic growth.

Although it inherited one of the least competitive economies of the former Soviet Union, Kyrgyzstan was the first Central Asian Republic to undertake meaningful economic and social reform. Positive signs of macro-economic stabilization continue. GDP rose by 5% in 2001, and inflation dropped from 9.6% in 2000 to 7.7% in 2001. The value of the Kyrgyz som has remained almost unchanged since 2000. However, 60.5% of the population now lives below the poverty line, up from 55.3% in 1999. Limited access to trade routes, a heavy burden of external debt (US\$1.5 billion, draining 50% of the national budget for monthly debt servicing expenses), a weak banking sector (four banks were closed in 2001 and one put in receivership), as well as corrupt courts overturning some bank closures, all threaten economic and political reform and limit growth. Poverty and limited opportunities particularly jeopardize stability in the south where isolation, difficult borders, lack of investment, and ethnic differences are problems.

Civil society in Kyrgyzstan is the most developed in Central Asia, although in 2001 the country's Freedom House rating dropped from "partly free" to "not free," and its civil liberties rating declined from 5 to 6, (7 being the lowest degree of freedom). Nevertheless, NGOs, civic organizations and media, increasingly influence government policy and legislation. Parliament is an increasingly active and responsive legislative body and a check towards government authoritarianism. Likewise, local governments are increasingly transparent and responsive. The presidential and parliamentary elections held in 2000 did not meet international standards, although local elections in over 460 villages and cities represent the first direct local elections in Central Asia.

Kyrgyzstan leads the region in health care reform and in actively addressing new health issues, such as HIV/AIDS, in an open and direct manner. However, government-supplied social services, critical to maintaining public support for reform, are still inadequate. Widespread poverty and very limited prospects for economic growth will also continue to influence both health status and the operations of the new health care systems. While it has embarked on educational reform, Kyrgyzstan's educational system is in a poor state characterized by mis-investment and corruption.

Kyrgyzstan's geographic location at the headwaters of major river systems in Central Asia enable it to affect critical and sensitive issues such as irrigated agriculture, electricity generation, and the environment in the downstream countries of Central Asia. Kyrgyzstan depends on its water resources for a large portion of its electricity requirements.

Contact Information

USAID/Central Asia Region (CAR)
 Mission Director George Deikun
 Park Palace Building
 41 Kazibek Bi Street
 Almaty, Kazakhstan 480100
 Tel: 011-7-3272-50-76-12/17
 Fax: 011-7-3272-50-76-35/36

USAID/CAR/Bishkek
 Kyrgyzstan Country Representative
 Tracy Atwood
 171 Prospect Mira
 Bishkek, Kyrgyzstan 720016
 Tel: 011-996-312-55-12-41/42
 Fax: 011-996-517-77-72-03

USAID/Washington
 Central Asia Desk Officer Tim Alexander
 Tel: 202-712-1669

USAID/CAR website: http://www.usaid.gov/regions/europe_eurasia/car/index.html

Overview of USAID's Focus in Kyrgyzstan

Economic Reform and Private Sector Development Kyrgyzstan continued to lead the former Soviet Union in accounting reform, adopting National Standards of Audit and Accounting Standards that are fully compliant with international standards. Four associations united to become a member of the International Council of Certified Accountants and Auditors (ICCAA). ICCAA is establishing an internationally recognized education, examination and certification program in Russian. USAID advisors designed a certification program for banking supervision department personnel and helped develop a draft law regulating micro-credit lending institutions. With USAID support, FINCA's client base reached almost 150,000 clients (88% women), disbursing almost \$35 million since its inception. USAID lenders provided small enterprise loans averaging \$3,000 each. The Bai-Tushum Foundation disbursed 514 loans in 2001 to agro-enterprises in its first year of operation and has a 97% payback rate. USAID advisors were instrumental in developing and fully implementing the former Soviet Union's first-ever Letter Rulings Database (LRD), which will compile decisions made by the tax authorities in response to taxpayer inquiries and will be available to the public. USAID also played a pivotal role in developing a new patent tax system that is now operational and expected to raise approximately 100 million som per year. USAID's support to a modernized, more efficient tax policy is a key factor in the 25.3% increase in tax collection over last year. Through television and radio, over 2,000,000 pamphlets distributed on land rights (in Kyrgyz, Russian and Uzbek), landowners were urged to seek information about their rights. USAID also continued helping develop a market for urban land, and helped train and organize associations of professional real estate brokers and appraisers.

Water and Energy Management USAID has played a key role in ensuring that water agreements meet international standards, and in providing an objective basis for decision-making. Staff of Kyrgyzstan's NHS are knowledgeable participants in the regional snowmelt runoff committee that meets semi-annually to improve water allocations for Central Asia. There, they participate in decisions for rational water allocations across Central Asia based on USAID-provided equipment and training. They have begun collecting and processing water data for which USAID provided equipment and training. Several water courses were funded by USAID in cooperation with the Canadian Agency for International Development, through which Kyrgyz water officials and managers could better acquaint themselves international water law, transboundary water management, and integrated water practices to improve irrigation efficiency. This year, the Government of Kyrgyzstan took an important step in the privatization of its state-owned energy system by "unbundling" the generation, transmission and distribution of electrical services. The resulting new companies all fall under the purview of the State Energy Agency. USAID has assisted energy officials in the privatization process for the past 6 years, and in a political and economic environment that has been extremely resistant to reform, this is viewed as an important development. Due to USAID assistance, public participation has increased in the government energy sector resulting in simplified procedures in billing and other practices aimed at reducing corruption. The heating pilot has begun and on-farm water management demonstrations will begin in spring 2002.

Strengthening Democratic Culture and Institutions USAID partner NGOs led the public outcry over proposed legislative amendments that would have restricted NGO activities, forcing the government to reconsider that legislation. With USAID-funded technical assistance, independent television and radio stations throughout the country have been re-registered. A Eurasia Foundation grant to Internews allows them to hire an experienced media attorney to assist journalists in court cases and to initiate a newspaper advocacy campaign on new regulations that affect the media. Public hearings at the parliamentary level began in 2001 and included the participation of NGOs, media organizations, and other citizens on issues such as the media law, the Ombudsman law, health, and the state budget (the first ever-parliamentary public budget hearing in Kyrgyzstan). Parliament is becoming more independent; the revisions it made to the President's amendments to the election code made the local elections more democratic. USAID-supported organizations drafted, printed and distributed flyers so voters had full information, sponsored candidate debates, and trained candidates. National anti-trafficking seminars supported by USAID resulted in the formation of a working group led by the Kyrgyz Secretary of State and a Plan of Action currently under consideration for a presidential order. The Kyrgyz Minister of the Interior recently signed a UN Protocol on trafficking in persons. In Osh, law students conducted a "Youth Against Corruption" campaign as part of a USAID initiative. Condominium associations, which ensure better managed housing and greater quality of life for citizens, were established in 21 communities.

Quality Primary Health Care Due to USAID's Quality Primary Health Care Program, the Ministry of Health's comprehensive cost-effective health care system provides services to more than 40% of the population. People now have the right to choose their own doctor from better-qualified physicians and nurses, as 48% of all primary health care (PHC) doctors and 22% of all PHC nurses in Kyrgyzstan have now completed standard retraining courses. New management and health information systems at the oblast and national level developed by USAID have improved financial and management decision-making. With the introduction of new transparent hospital co-payment systems in two oblasts, people are paying less than they previously paid under-the-table. Increased revenues from co-payments are permitting hospitals to increase medication and keep necessary supplies in stock. A public outreach campaign kept people well informed about the co-payment introduction, and there were opportunities for the public to voice their opinions to the government about this change. USAID is assisting the Kyrgyz Ministry of Health implement the World Health Organization (WHO)-recommended DOTS strategy on a nationwide scale. Since 1995, the TB incidence rate has risen by 40%. The mortality rate, however, decreased by 5.6% (from 13.4 in 1995 to 12.6 per 100,000 in 2000). USAID supports activities to strengthen the Infectious Disease Reference Laboratory and the viral hepatitis sentinel surveillance system in three pilots. The Reference Laboratory now allows Kyrgyzstan to estimate viral hepatitis incidence and proportionality for hepatitis A, B, C, D, and E by providing quality assured laboratory diagnostics. It also allows Kyrgyzstan to verify Hepatitis B immunization effectiveness in newborns. Research and training in HIV/AIDS surveillance has been initiated. USAID supported a study tour of government officials to a model Harm Reduction site in Lithuania; a Central Asian Condom Social Marketing Assessment and Workshop were conducted; and the Central Asian Initiative Conference on the Prevention of HIV/AIDS/STIs was held jointly with UNICEF and UNAIDS.